



## Your Credit Rights

### The Fair Credit Reporting Act

The three major credit reporting agencies, TransUnion, Experian and Equifax, maintain a credit history on you which is available to creditors. According to the Federal Fair Credit Reporting Act:

- You are entitled to receive one free copy of your credit report from each of the three nationwide credit reporting agencies every twelve months. You can request your free credit report online at [www.annualcreditreport.com](http://www.annualcreditreport.com) or by calling 1-877-322-8228.
- You are also entitled to receive a free copy of your credit report under certain circumstances, including if you were denied credit, employment or insurance within the last 60 days, you are the victim of identity theft, you are on public assistance, or you are unemployed and expect to apply for employment within 60 days.
- Your credit report can be shown to those who need such information for extending credit or insurance or reviewing employment applications.
- Most information in your file can only be reported for seven (7) years. However, bankruptcies can be reported for 10 years.
- If you inform the credit bureau of inaccurate information in your file, the information must be investigated, errors must be corrected and creditors who received the incorrect information must be advised of the changes.
- If there is a dispute about information in your file which cannot be resolved, you may require the credit bureau to note that the information is disputed in future credit reports.

## **Truth in Lending Act**

Another federal law, the Truth in Lending Act, provides these rights:

- Periodic statements must be mailed to consumers using credit cards and revolving charge accounts in sufficient time to avoid finance charges by prompt payment.
- The issuance of unsolicited credit cards is prohibited.
- Cardholder liability for lost or stolen credit cards is the lesser of \$50 or the amount charged prior to notification of the loss.
- Creditors must disclose to you the total finance charge, including all charges such as placement fees and insurance, the annual percentage rate of interest and the amount of each monthly payment and the number of payments required.
- If a creditor requires you to obtain “credit insurance” to guarantee that a debt will be paid should you die, get sick or become disabled or to cover damage to property which is collateral for the debt, the premium charged must be included when computing the annual percentage rate.
- If you voluntarily agree to obtain “credit insurance” or if you choose to obtain it from an outside insurance company, then the premium charged need not be included in the annual percentage rate.

## **The Equal Credit Opportunity Act**

The Equal Credit Opportunity Act prohibits discrimination in a credit transaction. It does not, however, guarantee that you will get credit. According to the Act:

- Discrimination because of sex, marital status, race, national origin, religion or age is prohibited.
- Except for voluntary information needed to enforce the above anti-discrimination laws, a creditor cannot ask your race, sex, national origin or religion.
- A creditor cannot ask whether you are divorced or widowed or about your plans for having children.
- A credit application must be accepted or denied within 30 days. If denied, the creditor must inform you in writing of either the specific reason for the denial or your right to request that reason within 60 days.
- Where both spouses use or are liable on an account, credit information must be supplied in the names of both spouses.

## **Pennsylvania Goods and Services Installment Sales Act**

This law regulates credit transactions involving goods and services bought for personal, family or household purposes.

Under the Act:

- The seller or holder of a credit agreement cannot take a mortgage against your residential real estate or that of a co-signer.
- Before a seller can attempt to repossess goods or start legal action to collect the debt, he must give you one last chance, by way of a 21 – day notice, to pay all amounts in default.
- Wage attachments are generally prohibited.

Once you obtain credit privileges, know your responsibilities in repaying your indebtedness:

- The amount of the finance charges you may be assessed will vary depending on the type of purchase, the type of lender and the location of the lender.
- Late fees and collection charges may also be assessed.
- Since a lender earns more interest at the beginning of a loan than near the end, payments which you make at the beginning of a loan do very little to reduce the principal.